Authorization and Eligibility Requirements

Attachment 1 consists of the following items:

- ✓ Authorizing Documentation. A Memorandum of Understanding (MOU) approving the Rancho California Water District (RCWD) to submit grant applications and execute agreements for Integrated Regional Water Management Implementation grants to the Department of Water Resources (DWR).
- ✓ Eligible Applicant Documentation. The MOU authorizes the General Manager of RCWD to enter into funding agreements with DWR. Confirmation that RCWD is a local public agency.
- ✓ **GWMP Compliance.** The proposal includes projects that will positively impact groundwater in the Upper Santa Margarita Watershed (USMW) IRWM Region. Documentation is presented that identifies the projects, the implementing agencies, and status of applicable groundwater management plans.
- ✓ Progress on Meeting Current IRWM Plan Standards. Documentation is presented demonstrating that the USMW IRWM Region is in the process of updating its IRWM Plan in the "Overview of Selected IRWM Plan Standards" Table 1 from the Proposition 84 IRWM Implementation Round 2 Proposal Solicitation Package (PSP).
- ✓ **Project Consistency with an Adopted IRWM Plan.** The suite of proposed projects is consistent with the adopted USMW IRWM Plan.

Authorizing Documentation

A Memorandum of Understanding (MOU) was approved on August 31, 2010 by the governing bodies of Rancho California Water District (RCWD), Riverside County Flood Control and Water Conservation District, and the County of Riverside (see **Appendix A**). The MOU authorizes the General Manager of RCWD to submit grant applications for Integrated Regional Water Management Planning and Implementation grants to the California Department of Water Resources or other State or Federal Departments on behalf of the aforementioned agencies.

Eligible Applicant Documentation

The MOU additionally authorizes the General Manager of RCWD to enter into agreements with the State of California for the IRWM Planning and Implementation Grants. RCWD is a local agency as defined in Appendix B of the Guidelines, and has authority to enter into a grant agreement with the State of California, per the MOU. The MOU also describes the legal agreements among the RWMG that ensure the performance of the Proposal and tracking of funds.

GWMP Compliance

Proposed Projects with Positive Groundwater Impacts

The Proposal will positively impact groundwater in the Upper Santa Margarita River Watershed, which includes the Temecula-Murrieta Basin and its sub basins.

The Upper Valle de Los Caballos (VDC) Recharge Project will specifically benefit the Temecula-Murrieta Groundwater Basin. The Project will consist of a suite of activities that will improve long-term groundwater supply reliability, improve groundwater quality, and improve operational efficiencies at the Valle de Los Caballos Recharge and Recovery Facility. The Project will include modifications to existing berms and well pad construction, modifications to pond discharge piping, and construction of a new production well (Well No. 161) as described in Attachment 3 Work Plan. The Project would increase RCWD's current groundwater recharge capacity by an additional 4.5 cfs (3,250 acre-feet per year).

Agency Responsible for Implementation of Proposed Project

The Upper VDC Recharge Project will be implemented by the Rancho California Water District.

Status of Groundwater Management Plan (GWMP) Compliance

The RCWD receives groundwater from the Temecula-Murrieta Basin (Basin), also known as the Temecula Valley Basin, which underlies several valleys in southwestern Riverside County and a portion of northern San Diego County, within the Santa Margarita River Watershed. Two aquifers within the Basin – the Pauba aquifer and the Temecula aquifer – include eight underlying groundwater basins, which are based upon surface water hydrology subbasins.

The Basin has been governed under court jurisdiction since 1928, as part of the Santa Margarita River Watershed system. In 1940, a San Diego Superior Court Stipulated Judgment ("1940 Judgment") was issued directing the use and allocation of groundwater in the region. In 1963, a Final Judgment and Decree was issued further defining the use of groundwater in the region, and in April 1966, a Modified Final Judgment and Decree (U.S. v. Fallbrook Case 1247/"Fallbrook Case") was entered incorporating interlocutory judgments and the 1940 Stipulated Judgment. Additional actions for water use include the following: Application No. 11518 for Appropriation Permit 7032 was filed in 1946, Permit 7032 was issued in 1948 and the State Water Resources Control Board issued the Amended Permit 7032 to RCWD in 2009.

These judgments followed by years of disputes over their interpretation by multiple parties, including the Federal government (U.S. Marine Corps Camp Pendleton) over water use in the

watershed basins, citing the judgments did not fully meet the needs of the parties for effective water management. Finally, after many years, a settlement agreement, "Cooperative Water Resource Management Agreement between Camp Pendleton and Rancho California Water District", was reached and executed in March 2002. This agreement more effectively implements the previous judgments (1940 Judgment and Fallbrook Case) and remains in place today to manage surface water flow in the Santa Margarita River and use of the Temecula-Murrieta Basin.

Further, in December 2006, a 'Groundwater Management Agreement between Rancho California Water District and the Pechanga Band of Luiseno Mission Indians' was executed to govern the management of groundwater pumping from the Wolf Valley Groundwater Basin in a manner not to exceed the safe yield that protects groundwater resources in the Wolf Valley Groundwater Basin for present and future uses. The Wolf Valley Groundwater Basin is a subbasin of the Temecula-Murrieta Basin.

To further manage water in the region, a Watermaster was assigned by the court to oversee all uses within the Santa Margarita River Watershed, which includes three groundwater basins: the Santa Margarita Groundwater Basin, the Anza Groundwater Basin, and the Temecula-Murrieta Groundwater Basin. These basins underlie portions of the MWD member agency service areas of San Diego County Water Authority, Eastern Municipal Water District and Western Municipal Water District, and the Pechanga Indian Reservation overlies some of the southwestern part of the Temecula-Murrieta Basin. The Watermaster works cooperatively with a steering committee comprised of entities within the watershed and overlying the groundwater basin. The Watermaster prepares the "Santa Margarita Watershed Annual Watermaster Report", which provides annual reporting of water conditions in the watershed, but does not manage the groundwater basins. The Annual Watermaster Report, prepared pursuant to the U.S. District Court Order, March 13, 1989, includes information on surface and subsurface water, imports and exports, water rights, water production and use, threats to water supply, water quality, review of agreements, and Watermaster five-year projection of activities. The Court has retained jurisdiction over all surface flows of the Santa Margarita River Watershed and all underground waters determined by the Court to be subsurface flow of streams or creeks or which is determined by the Court to add to, support or contribute to the Santa Margarita River stream system. Local vagrant groundwaters that do not support the Santa Margarita River stream system are outside the Court jurisdiction.

Although considered an adjudicated basin based on the judgments, specific water rights have not been assigned and a traditional groundwater management plan has not yet been prepared. Rather, the District works cooperatively with the Watermaster to 1) manage the basin on a

watershed-wide basis through the Court jurisdiction, using the Annual Watermaster Report, groundwater management agreement, and cooperative water resource agreement, 2) implement projects through the Upper Santa Margarita Watershed Planning Region IRWMP, and 3) prepare an annual groundwater hydrogeologic assessment, "Recommended Ground Water Production", that continuously guides the management of the Temecula-Murrieta Basin on a sustainable safe yield basis. As a result of the extensive litigation, the annual groundwater production report includes a comprehensive groundwater model covering the area of the region's watershed, making the Temecula-Murrieta Basin one of the most studied basin's in the state.

The Temecula-Murrieta Basin is also included in MWD's Groundwater Assessment Study (September 2007), which the District also utilizes to help manage the Basin.

Collectively, the Court judgments, groundwater management and cooperative agreements, RCWD's annual groundwater production reports, Watermaster annual report, and MWD's Groundwater Assessment Study meet the requirements of a groundwater management plan pursuant to CWC 10753.7. These documents address the following:

- Basin management objectives;
- Monitoring and management of groundwater levels;
- Monitoring of inelastic land surface subsidence;
- Monitoring protocols;
- Groundwater quality;
- Surface flows and quality;
- Map of the groundwater basin and the area subject to requirements of groundwater management; and
- Cooperatively working with public entities within the watershed and overlying the groundwater basin.

To support GWMP Compliance, **Appendix A** contains copies of the following referenced documents:

- 1. Santa Margarita River Watershed Annual Watermaster Report, Water Year 2008-09, Charles W. Binder, Watermaster, September 2010
- 2. Recommended Ground Water Production, Fiscal Year July 1, 2013 through June 30, 2014, Rancho California Water District, January 18, 2013

- 3. Permit for Diversion and Use of Water, Amended Permit 7032, Temecula Creek/Santa Margarita River for use in Vail Lake and District M&I by Rancho California Water District, April 22, 2009 and 1946 Application to Appropriate Unappropriated Water.
- 4. Metropolitan Water District of Southern California, Final Groundwater Assessment Study, September 2007
- 5. Groundwater Management Agreement, Rancho California and Pechanga Band of Luiseno Mission Indians, December 21, 2006
- 6. Cooperative Water Resource Management Agreement between Camp Pendleton and Rancho California Water District, March 2002).

GWMP Compliance Conclusion

Based on recent resolution of the lengthy and extensive litigation in the watershed on water rights and use, Rancho California Water District will seek to work cooperatively with the entities in the affected groundwater basin area toward bringing together the components of the documents listed above that govern surface and groundwater management in the watershed into a single groundwater management plan, while understanding the governing Court documents and agreement remain the authoritative jurisdiction. RCWD has applied for a DWR 2013 Local Groundwater Assistance Grant and is waiting for award notification.

Progress in Meeting Current IRWM Plan Standards

The USWM IRWM Region began an update of its 2007 USMW IRWM Plan in fall 2012. On May 31, 2012, a DWR funding agreement was executed with Rancho California Water District for a Proposition 84 IRWM Implementation Round 1 grant. The USMW IRWM Region anticipates completing the update of its IRWM Plan by May 2014.

The District is both the signatory on the IRWM Implementation Round 1 funding agreement and the lead agency for the update of the IRWM Plan in accordance with the MOU among the USMW Regional Water Management Group (RWMG) members. The District is working collaboratively with the other RWMG members, USMW Stakeholder Advisory Committee, and interested parties to update the USMW IRWM Plan.

Table 1-1, Overview of Selected IRWM Plan Standards, on the following pages, demonstrates that the USMW IRWM Region is progressing with the IRWM Plan Update and will adopt an IRWM Plan that meets the IRWM Plan Standards contained in Appendix G of the 2012 Guidelines.

Standard	Question/Status/Response					
Governance	Will the governance structure need to be altered in the Updated IRWM Plan in order to ensure that balanced access and opportunity for participation in the IRWM effort is provided?					
	In mid-2013, the RWMG and Stakeholder Advisory Committee (SAC) will begin discussions on future governance of the USMW IRWM Program. They will review the existing governance structure, and determine if the existing structure is sufficient to ensure that balanced access and opportunity for participation in the IRWM effort is provided. The Governance Section of the Plan Update will be updated as needed based on the findings of the existing governance structure review.					
Region Description	Has the regional description changed significantly from the current IRWM Plan?					
	Since the 2007 (current) IRWM Plan, the regional description has not changed significantly. The IRWM boundaries remain consistent with those established in the 2007 IRWM Plan, and are also consistent with those approved by DWR in the 2009 Region Acceptance Process. However, part of the focus of the IRWM Plan Update will be to better define the setting of the Region.					
	This task will begin in mid-2013, will involve the RWMG and SAC, and will work to better define the following regional setting information:					
	 Greater level of detail regarding Regional supplies, water quality, environmental resources (including habitat), and recreation Updates to current and projected water supply (by supply type) and demand quantities Descriptions of wastewater service boundaries, flood control district boundaries, land use agency boundaries, and groundwater basin boundaries Descriptions of surface water rights Description of stormwater capture Updated water quality descriptions, including both 303(d) listings and groundwater quality impairments Updated social characteristics Description of Region's vulnerabilities to climate change, including prioritization of vulnerabilities 					

Table 1-1 – IRV	VM Plan Standards Questionnaire					
Standard	Question/Status/Response					
Objectives	Will your objectives change from those in the current IRWM Plan? Is so, how?					
	In fall 2012, the RWMG, the SAC, and interested parties met on October 10, 2012 and on December 12, 2012 to discuss the existing IRWM Plan Objectives and determined a revised list of Objectives. The change included a modification of the current structure of nine (9) Regional Objectives, 31 Sub-Objectives and 27 Planning Targets, to a more reasonable structure that is more easily measurable. The new structure includes five (5) to (7) Goals, two (2) to four (4) Objectives/Performance Measures per Goal, and 10 to 20 Objectives. The RMWG and SAC also determined that the Objectives would not be prioritized citing varied benefits and importance of each to the IRWM Region.					
	The Regional Issues are better articulated, the Goals are specific, the Measurable Objectives are concise, but not quantitative, and the Performance Measures are specifically related and provide a better metric for measuring the progress made by the Region towards meeting its Objectives. The draft IRWM objectives include the following:					
	 Reduce regional potable water consumption Increase local supply development Improve quality and ability to access and increase groundwater supply Increase knowledge of groundwater supply potential Reduce controllable pollutant sources to 303(d) listed receiving waters Enhance regional flood control by implementing multiple benefit projects Reduce municipal and private property damage and risk Protect and create aquatic/riparian habitat Enhance riparian corridors on existing land use Support water resources project that positively impact DACs Improve recreation opportunities and open space through multiple benefit projects Adapt to and mitigate against climate change by promoting adaptation strategies and reducing water-related greenhouse gas emissions 					
Resource	Will the Update IRWM Plan consider the resource management strategies form					
Management	the California Water Plan, Update 2009?					
Strategies	As required by the Resource Management Strategies Standard in the 2012 IRWM Guidelines, the IRWM Plan Update will consider the resource management strategies (RMS) from the California Water Plan, Update 2009.					
	The RWMG and USMW Stakeholder Advisory Committee have provided comments on the inclusion of each of the RMS in the California Water Plan, Update 2009. Through this process, it was determined that the following RMS					

	WM Plan Standards Questionnaire							
Standard	Question/Status/Response are appropriate for inclusion in the 2014 IRWM Plan Update. The RMS are							
	currently in draft form and are subject to change: • Agricultural Water Use Efficiency • Groundwater and Aquifer							
	 Agricultural Water Use Efficiency Education/Public Outreach Gray water use Conveyance – Delta Conveyance – Regional/Local System Reoperation Water Transfers Increase use of renewable energy sources Conjunctive Management & Groundwater Desalination of groundwater Precipitation Enhancement Recycled Municipal Water Surface Storage – CALFED Surface Storage – Regional/Local Indirect potable reuse Drinking Water Treatment and Distribution 	 Groundwater and Aquiler Remediation Matching Quality to Use Pollution Prevention Salt and Salinity Management Urban Runoff Management Flood Risk Management Agricultural Lands Stewardship Economic Incentives (Loans, Grants, and Water Pricing) Ecosystem Restoration Land Use Planning and Management Recharge Areas Protection Water-dependent Recreation Watershed Management Water-dependent cultural resource and practices preservation 						
Integration	Will the process used in the Updated IRWM Plan allow, encourage, and actively pursue integration in both the planning process and project formulation and implementation?							
	The USMW IRWM Region Program is committed to integration in both the planning process and project formulation and implementation, and recognizes that integration is a fundamental component of IRWM planning. The IRWM Plan Update process will focus on allowing, encouraging, and actively pursuing integration both in the planning process and in the project formulation and implementation process.							
	According to the 2012 Guidelines, integration generally means combining separate pieces into an efficiently functioning unit. During the IRWM Plan Update process, the RWMG and SAC will discuss integration and what this concept means to the USMW IRWM Program. Once the integration concepts are defined, they will be integrated into the IRWM Plan Update such that they are encouraged and actively pursued in the USMW IRWM planning process.							

Table 1-1 – IRV	VM Plan Standards Questionnaire						
Standard	Question/Status/Response						
Project Review	Will the project review process consider climate change vulnerabilities and greenhouse gas emissions (for both construction and operation)?						
Process	Update of the project review process will begin in mid-2103. The project review process will consider climate change vulnerabilities and greenhouse gas emissions for both construction and operation. The RWMG and SAC will provide input on the criteria to be used in the project review process.						
Technical Analysis	Have any data gaps been identified and how will the Updated IRWM Plan help fill the gaps?						
	In mid-2013, the RWMG and Stakeholder Advisory Committee (SAC) will begin an in-depth discussion on data gaps of the USMW IRWM Program. In fall 2012, initial review of the 2007 IRWM Plan identified broad areas of data gaps. The RWMG and SAC will conduct a more in depth review the IRWM Plan for data gaps and make recommendations for an implementation plan for data identification and collection for the purposes of determining Plan Performance.						
Relation to Local Water	Will changes to the existing IRWM Plan be needed in order to improve coordination with local water use planning efforts?						
Use Planning	In mid-2013, the RWMG and the SAC will begin to review and make a determination if any changes will be needed to the existing USMW IRWM Plan in order to improve coordination with local water use planning efforts. If changes are needed, the RWMG and the SAC will work to develop reasonable and implementable changes to improve coordination.						
Relation to Local Land	Will changes to the existing IRWM Plan be needed in order to improve coordination with local land use planning efforts?						
Use Planning	In mid-2013, the RWMG and the SAC will begin to review and make a determination if any changes will be needed to the existing USMW IRWM Plan in order to improve coordination with local land use planning efforts. If changes are needed, the RWMG and the SAC will work to develop reasonable and implementable changes to improve coordination.						
Stakeholder Involvement	Will changes or improvements to the stakeholder involvement process be needed to ensure effective stakeholder participation?						
	The USMW IRWM Program maintains a stakeholder contact/notification list containing over 170 individuals, representing local, state and federal agencies and organizations, including special districts, cities, counties, land use agencies, disadvantaged communities, tribes, non-profit organizations, individual citizens, and others. The process currently in place relies on stakeholder involvement at the SAC meetings. Comments and concerns raised by Stakeholders at SAC						

Table 1-1 – IRV	VM Plan Standards Questionnaire
Standard	Question/Status/Response
	meetings are brought to the RWMG level for consideration. The Region has determined that this is an effective way to involve a majority of stakeholders in the IRWM Program; however, the process will be reviewed beginning in mid-2013.
Coordination	Has the RWMG identified a need for changes/improvements to the ongoing coordination efforts?
	The process currently in place for coordination between stakeholders and the USMW Region allows for the full participation in the planning process to coordinate water management projects and activities.
	Beginning in mid-2013, the RWMG will review and consider the potential need for the IRWM Plan Update to include a more in depth discussion of neighboring IRWM efforts and the way cooperation/coordination with these other efforts will be accomplished. The Plan Update will recognize that DWR has encouraged the USMW Region and members of the DACs and Tribal communities to work together to resolve issues and concerns. Additional outreach has been implemented to encourage their participation in the IRWM Plan Update. It is hoped that these entities will continue to participate in the USMW planning process and Plan Update and that their participation will continue to expand.
	The Plan Update will also recognize the existing Tri-County Funding Area Coordinating Committee (Tri-County FACC) through an MOU. The MOU provides for the coordination of IRWM efforts across IRWM boundaries of the USMW, the San Diego and the South Orange County IRWM Regions. In addition, the MOU equitably allocates the Proposition 84 funding among the IRWM Regions in the San Diego Funding Area to minimize competition and promote funding for a balance of projects across the funding area. Both the San Diego and South Orange County IRWM Regions are invited to attend USMW SAC meetings and participate on regional issues, particularly since a portion of the San Mateo Watershed is in both Riverside and Orange Counties, and the Santa Margarita Watershed continues into San Diego County. In addition, ongoing interaction with the San Diego and South Orange County IRWM Regions has resulted in an understanding that projects located within these overlap areas could appear in either region's list of projects, as deemed appropriate. This Round 2 grant application includes a discussion of the interregional project with the San Diego IRWM Region.

Table 1-1 – IRWM Plan Standards Questionnaire					
Standard	Question/Status/Response				
Climate Change	 Will the Update Plan Contain: A climate change vulnerability assessment of the IRWM region that is at least equivalent to the qualitative check list assessment in the Climate Change Handbook for Regional Water Planning? A list of prioritized vulnerabilities derived from the vulnerability assessment and the IRWM's decision making process? A plan, program, or methodology for further data gathering/analyzing of the prioritized vulnerabilities? As required by the Resource Management Strategies Standard in the 2012 IRWM Guidelines, the IRWM Plan Update will consider and include climate change as part of the Plan Update. In early 2013, the RWMG and SAC considered RMS that included strategies for climate change. Beginning in mid-2103, the RWMG and SAC will review and develop the following climate change elements required for the IRWM Plan Update: 				
	 Existing plans and studies on climate change relevant to the Region Project climate change impacts on the Region Vulnerabilities of the Region's water resources to climate change Prioritization of vulnerabilities Strategies for adapting to and mitigating against climate change (RMS) Climate change inclusion in the Region's objectives and targets Climate change consideration in the project review process Relation of climate change to local water planning and local land use planning Plan performance and monitoring: adaptive management Coordination with climate change adaptation and registry efforts 				

Project Consistency With the Adopted IRWM Plan

The USWM IRWM Region IRWM Implementation Round 2 Proposal includes a suite of three projects, plus an interregional project with the San Diego IRWM Region, that, when implemented both individually and collectively, will provide multiple water supply, water quality and environmental benefits. Each of these projects has unique benefits that will help the Region in meeting its IRWM Plan Objectives as well as DWR Program Preferences. Together these projects reflect a truly integrated and cost-effective suite of IRWM-approved management strategies to help meet the Region's water management needs. The USMW Region projects include:

- 1. Recycled Water and Plant Material Conversion Project for HOA Common Areas (RWPMC) Project
- 2. Native Botanical Garden Project
- 3. Upper Valle de Los Caballos Recharge Project (Upper VDC) Project

In addition, the USMW IRWM Region is jointly funding and participating with the San Diego IRWM Region in the interregional project, Implementing Nutrient Management in the Santa Margarita River Watershed — Phase II (SMR Nutrient Project). Although the USMW IRWM Region is a full partner and benefits will accrue across watershed boundaries to both regions, the entire project work plan, budget and cost/benefit analysis for the project have been included in the San Diego IRWM Region's funding application in order to simplify project administration and contracting (see **Appendix C** for a cooperating letter). However, since the USMW IRWM Region benefits from the interregional project and will meet certain Program Preferences identified in Attachment 9, the SMR Nutrient Project description, goals and objectives, need, integrated elements, completed work, project partners, and proposed work are discussed following the third project in the USMW IRWM proposed projects. This information will provide sufficient detailed information to understand the project and its benefits to the region.

These projects are described in detail in Attachment 3 Work Plan. Figures 3-1 and 3-2 in Attachment 3 provide Regional Maps that shows the location of each of these projects within the region and location within a DAC. Additionally, a Project Map is provided for each project under the respective project detail section in Attachment 3.

Goals and Objectives

The vision of the IRWM Plan as established by the USMW stakeholders is stated as:

"The IRWM Plan will take a balanced and consensus-based approach that will provide for the protection and sustainability of the Upper Santa Margarita Watershed's water resources, natural resources, and habitats."

Based on this vision of the 2007 IRWM Plan, the USMW IRWM Region articulated nine objectives to meet the water management needs of the Region. All projects included in this proposal are multi-benefit projects that attain multiple IRWM Plan objectives as sown in **Table 1-2** and again in Attachment 3.

Table 1-2: Regional Objectives

#	Project	Objective 1 : Develop a more reliable and diverse portfolio of water supplies	Objective 2: Promote economic, social, and environmental sustainability	Objective 3: Improve water quality	Objective 4 : Restore, enhance and maintain habitats and open space	Objective 5 : Promote sustainable floodplain management	Objective 6 : Promote appropriate recreational opportunities	Objective 7 : Promote appropriate land use planning	Objective 8 : Increase stakeholder involvement and stewardship	Objective 9 : Maximize implementation of water resources projects
1	Recycled Water and Plant Material Conversion Project for HOA Common Areas	х	х	х	х		х		х	х
2	Native Botanical Garden Project	x	x		x		x		x	
3	Upper Valle de Los Caballos Recharge Project	х		х						х
Interregional Project in San Diego IRWM Region Application										
4	Implementing Nutrient Management in the Santa Margarita River Watershed – Phase II		х	х	x				х	

Project Adoption

Implementation projects in this proposal were adopted by the USMW RWMG and SAC after a call-for-projects in August 2012, followed by review, ranking, and approval by the RWMG on November 14, 2012 (see **Appendix A**), and discussion and approval at a stakeholder workshop on December 12, 2012 (see **Appendix A**). The implementation projects were documented as consistent with the adopted IRWM Plan and consistent with the procedures for adding projects to the IRWM Plan after adoption. An Addendum to the USMW IRWM Plan was prepared, reviewed, and adopted on September 8, 2010 by the USMW RWMG and SAC for these procedures (see **Appendix A**).